

Decision Record

BLM Environmental Assessment Number NV-020-06-EA-014

Ashdown Project Sylvia Mine, Humboldt County, Nevada

BLM Serial # NVN79868/Case File N26-05-004P

Golden Phoenix Minerals, Inc.

Sections 13, 23, T45N, R28E, and Section 14, T45N, R29E, M.D.B.M.

Decision

It is the decision of the authorized officer to allow Golden Phoenix Minerals, Inc (GPMI) to proceed with the proposed development of an underground mine as described in the mine plan amendment and the proposed action of the environmental assessment (EA) subject to the mitigation listed below and developed in the attached EA (NV-020-06-EA-014). A Finding of No Significant Impact was prepared for this EA and is also attached. Therefore, preparation of an environmental impact statement (EIS) pursuant to Section 102(C) of the National Environmental Policy Act is not required.

Public comments were received during scoping and the public comment period on the preliminary EA from June 2, 2006 to July 6, 2006. The Fort McDermitt Tribal Council, Summit Lake Paiute Tribe, Winnemucca Indian Colony, and three other Native American organizations were contacted as part of the EA process. Substantive comments were only received from the Nevada Department of Wildlife (NDOW) as a result of the public comment period on the preliminary EA. GPMI met NDOW representatives at the project site on August 9, 2006. They worked together to develop a monitoring plan that is incorporated into this decision below.

1. GPMI must obtain approvals from the Nevada Department of Environmental Protection, Bureau of Mining Regulation and Reclamation (NDEP-BMRR) for the necessary permits to its state mine reclamation permit before proceeding with the work.

2. No work on the Ashdown Project Sylvia Mine is authorized until GPMI has complied with other applicable federal, state, and local regulations and has obtained the permits that are necessary to conduct the development of the Sylvia Mine.

3. Activities approved in this decision shall not begin until the BLM Nevada State Office issues a decision accepting the reclamation financial guarantee.

Mandatory Monitoring and Mitigation Requirements

1. GPMI is directed to monitor the surface water flow at several springs and creeks that are listed below. The locations are shown on the attached map.

- a. Mosquito Spring (AD-SPG-1) near the head of Thacker Canyon
- b. A stock tank (AD-SPG-2) approximately one mile downstream of Mosquito Spring
- c. The northeastern-most spring of the three springs in Cherry Gulch (AD-SPR-5)
- d. The creek below the three springs in Cherry Gulch (AD-SPR-6)

- e. A small, unnamed spring (AD-SPG-3) approximately 3,000 feet southeast of the Sylvia Mine portal
- f. And a small pool (AD-SPG-4) of standing water approximately 1,000 west of spring AD-SPG-3

2. Monitoring will consist of measuring flow rates when possible; otherwise it will consist of measuring the area and depth of any standing water, or reporting that the area is dry. Flow rates will be calculated by determining the cross-sectional area and measuring the time required for water to flow a measured distance. Where a defined channel does not exist, a small box will be placed temporarily to concentrate the flow, which will then be measured. Water measurements will be taken once in the spring (March – May) and once in July, August, and September for a total of four times each year while the mine is being dewatered, starting in 2007.

3. In support of the surface water flow measurements, GPMI is also directed to collect or compile precipitation and temperature data from at least one weather station within 30 miles of the mine.

4. Reports of the water flow measurements, precipitation, and temperature data will be delivered to the Bureau of Land Management, Winnemucca Field Office (WFO) and the Nevada Department of Wildlife within 30 days of each water flow measurement, for a total of four times each year while the mine is being dewatered, starting in 2007.

5. GPMI is directed to conduct a bat survey of the level 8 mine opening and any other mine openings within 1,200 feet of the Sylvia portal suspected to contain bats. The date and type of survey must be coordinated with the Nevada Department of Wildlife to ensure that the appropriate data is collected and reported. A report of the findings will be sent to the Bureau of Land Management WFO and the Nevada Department of Wildlife within 60 days of the survey. This survey must be completed no later than May 1, 2007. If sensitive or endangered species are found to inhabit any of the mine openings, then the Nevada Department of Wildlife in cooperation with the Bureau of Land Management WFO would develop further mitigation that the mine operator would have to implement.

6. If surface exploration drilling is planned between April 1 and May 15, GPMI must first have a bighorn sheep lambing survey conducted by the Nevada Department of Wildlife. If lambs are present in the area, then the Nevada Department of Wildlife may direct GPMI to wait until after the lambing season before conducting surface drilling.

7. In order to protect the bighorn sheep, GPMI must first contact the Nevada Department of Wildlife to get their approval if surface exploration drilling is planned above 5,600 feet in elevation.

Rational

1. The proposed action is in conformance with and is consistent with the Paradise-Denio Management Framework Plan and has complied with the Endangered Species Act, National Historic Preservation Act, and other laws that govern the proposed project.

2. Based on the environmental analysis in the EA, compliance with the mitigation and monitoring measures in the EA, compliance with the monitoring and mitigation requirements in this Decision Record, compliance with the stipulations in this decision record, and conformance with the content of plan of operations amendment, I have determined that the proposed action will not result in any unnecessary or undue environmental degradation of public lands, has addressed public comments, and is consistent with federal, state and local laws, regulations and plans.

3. The proposed action would not impact any threatened or endangered species or significant scientific, cultural, or historical resources.

4. Based on the President's National Energy Policy and Executive Order 13212, the proposed action will not generate any adverse energy impacts or limit energy production and distribution. Therefore, no "Statement of Adverse Energy Impact" is required.

Preparer Signature

Date

Authorized Officer Signature

Date

Attachments:

EA (NV-020-06-EA-014)

Finding of No Significant Impact (FONSI)